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REFERENCE TITLE: uniform secondary property tax assessments.

State of Arizona  
Senate  
Forty-sixth Legislature  
Second Regular Session  
2004

## **SB 1338**

Introduced by  
Senator Harper

### **AN ACT**

AMENDING SECTIONS 42-15001 THROUGH 42-15009, ARIZONA REVISED STATUTES;  
RENUMBERING SECTION 42-15010, ARIZONA REVISED STATUTES, AS SECTION 42-15011;  
AMENDING TITLE 42, CHAPTER 15, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING  
A NEW SECTION 42-15010; RELATING TO ASSESSED VALUATION OF PROPERTY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 42-15001, Arizona Revised Statutes, is amended to  
3 read:

4 42-15001. Assessed valuation of class one property

5 The assessed valuation of class one property described in section  
6 42-12001 is twenty-five per cent of its full cash value or limited valuation,  
7 as applicable, EXCEPT AS PROVIDED BY SECTION 42-15010.

8 Sec. 2. Section 42-15002, Arizona Revised Statutes, is amended to  
9 read:

10 42-15002. Assessed valuation of class two property

11 EXCEPT AS PROVIDED BY SECTION 42-15010, the following percentages apply  
12 to the full cash value or limited valuation, as applicable, as a basis for  
13 determining the assessed valuation of class two property described in section  
14 42-12002:

15 1. Class two (R): sixteen per cent.

16 2. Class two (P): sixteen per cent of the value exceeding the maximum  
17 amount of valuation of personal property that is exempt from taxation  
18 pursuant to section 42-11127, EXCEPT AS PROVIDED BY SECTION 42-15010.

19 Sec. 3. Section 42-15003, Arizona Revised Statutes, is amended to  
20 read:

21 42-15003. Assessed valuation of class three property

22 The assessed valuation of class three property described in section  
23 42-12003 is ten per cent of its full cash value or limited valuation, as  
24 applicable, EXCEPT AS PROVIDED BY SECTION 42-15010.

25 Sec. 4. Section 42-15004, Arizona Revised Statutes, is amended to  
26 read:

27 42-15004. Assessed valuation of class four property

28 The assessed valuation of class four property described in section  
29 42-12004 is ten per cent of its full cash value or limited valuation, as  
30 applicable, EXCEPT AS PROVIDED BY SECTION 42-15010.

31 Sec. 5. Section 42-15005, Arizona Revised Statutes, is amended to  
32 read:

33 42-15005. Assessed valuation of class five property

34 EXCEPT AS PROVIDED BY SECTION 42-15010, the director shall annually  
35 determine percentages to apply as a basis for determining the assessed  
36 valuation of class five property described in section 42-12005 equal to the  
37 ratios that:

38 1. The total net assessed valuation for secondary tax purposes of all  
39 taxable property in class one and class six, paragraph 3 and personal  
40 property in class two bears to the total full cash value of such property and  
41 that ratio shall be used for secondary tax purposes as required by federal  
42 law.

43 2. The total net assessed valuation of all taxable property for  
44 primary tax purposes in class one and class six, paragraph 3 and personal  
45 property in class two bears to the total limited valuation used for primary

1 tax purposes of such property and that ratio shall be used for primary tax  
2 purposes as required by federal law.

3 Sec. 6. Section 42-15006, Arizona Revised Statutes, is amended to  
4 read:

5 42-15006. Assessed valuation of class six property

6 EXCEPT AS PROVIDED BY SECTION 42-15010, the assessed valuation of class  
7 six property described in section 42-12006 is based on the following  
8 percentages to the full cash value or limited valuation of class six  
9 property, as applicable:

10 1. Property described in section 42-12006, paragraphs 1, 2, 3, 5 and  
11 6, five per cent.

12 2. Property described in section 42-12006, paragraph 4:

13 (a) For primary property tax purposes, five per cent.

14 (b) Except as provided in subdivision (c), for secondary property tax  
15 purposes, twenty-five per cent.

16 (c) If subdivision (b) is finally adjudicated to be invalid, for  
17 secondary property tax purposes, five per cent.

18 Sec. 7. Section 42-15007, Arizona Revised Statutes, is amended to  
19 read:

20 42-15007. Assessed valuation of class seven property

21 The assessed valuation of class seven property described in section  
22 42-12007 is the percentage of value prescribed for class one property by  
23 section 42-15001, EXCEPT AS PROVIDED BY SECTION 42-15010 AND except that  
24 modifications intended to restore and rehabilitate the historic property as  
25 approved by the state historic preservation officer under section 42-12103  
26 shall be assessed at one per cent for up to ten years.

27 Sec. 8. Section 42-15008, Arizona Revised Statutes, is amended to  
28 read:

29 42-15008. Assessed valuation of class eight property

30 The assessed valuation of class eight property described in section  
31 42-12008 is the percentage of value prescribed for class four property by  
32 section 42-15004, EXCEPT AS PROVIDED BY SECTION 42-15010 AND except that  
33 modifications intended to restore and rehabilitate the historic property as  
34 approved by the state historic preservation officer under section 42-12103  
35 shall be assessed at one per cent for up to ten years.

36 Sec. 9. Section 42-15009, Arizona Revised Statutes, is amended to  
37 read:

38 42-15009. Assessed valuation of class nine property

39 The assessed valuation of class nine property described in section  
40 42-12009 is one per cent of its full cash value or limited valuation, as  
41 applicable, EXCEPT AS PROVIDED BY SECTION 42-15010.

42 Sec. 10. Renumber

43 Section 42-15010, Arizona Revised Statutes, is renumbered as section  
44 42-15011.

1           Sec. 11. Title 42, chapter 15, article 1, Arizona Revised Statutes, is  
2 amended by adding a new section 42-15010, to read:

3           42-15010. Assessed valuation for secondary property taxes; all  
4                           classes of property

5           A. FROM AND AFTER JUNE 30, 2004, ALL CLASSES OF PROPERTY DESCRIBED IN  
6 CHAPTER 12, ARTICLE 1 OF THIS TITLE SHALL BE ASSESSED AS PROVIDED BY THIS  
7 SECTION FOR THE PURPOSES OF COMPUTING AND LEVYING SECONDARY PROPERTY TAXES  
8 FOR:

9           1. THE PAYMENT OF PRINCIPAL, INTEREST AND REDEMPTION CHARGES ON BONDED  
10 INDEBTEDNESS AND OTHER VOTER APPROVED OBLIGATIONS ISSUED OR AUTHORIZED BY THE  
11 VOTERS AFTER JUNE 30, 2004.

12           2. BUDGET, EXPENDITURE AND TAX LIMITATION OVERRIDES APPROVED BY THE  
13 VOTERS AFTER JUNE 30, 2004.

14           B. THE ASSESSED VALUATION OF CLASS ONE PROPERTY DESCRIBED IN SECTION  
15 42-12001 FOR THE PURPOSES DESCRIBED IN SUBSECTION A OF THIS SECTION IS TWENTY  
16 PER CENT OF ITS FULL CASH VALUE.

17           C. THE ASSESSED VALUATION OF ALL OTHER CLASSES OF PROPERTY DESCRIBED  
18 IN CHAPTER 12, ARTICLE 1 OF THIS TITLE FOR THE PURPOSES DESCRIBED IN  
19 SUBSECTION A OF THIS SECTION IS TEN PER CENT OF ITS FULL CASH VALUE.

20           Sec. 12. Retroactivity

21           This act applies retroactively to from and after June 30, 2004.